

Memorandum

TO: Governor's Energy Efficiency and Renewables Task Force Administrative
Model and Funding Workgroup Members

FROM: George Edgar
Kristine Euclide

DATE: January 28, 2004

RE: Minutes from January 20, 2004 Workgroup Meeting

Workgroup members present:

George Edgar, co-chair	Peter Bock	Charles McGinnis
Kristine Euclide, co-chair	Dave Helbach	Brian Rude (by phone)
Nino Amato (by phone)	Charlie Higley	Larry Salustro

Task Force Staff present:

John Marx, DOA	Sarah Justus, DOA	Carol Stemrich, PSC
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Stakeholders present:

Cathy Boies, CFC	Jessica Kurtenbach, WECC	Brian Zelenak, Xcel
Greg Bollom, MGE	Mike Potts, Orion	
Steve Heins, Orion	Ilze Rukis, WPS	
Hugo Heyns, MSOE (by phone)	Susan Stratton, ECW	

Discussion

- Need to identify scope of issues for this workgroup. Several issues identified, including:
 - how the public benefits program (PBP) raises funds (i.e. security, equity and adequacy)
 - how the PBP spends the funds (i.e. administrative model)
 - accountability
 - integration with the state energy policy
- Workgroup discussed extent to which new model should build from the current PBP versus starting anew. There is a desire to build upon past investments while also considering new opportunities.

- If a new model is developed, there will be a need to transition from the existing program to conform to the new model.
- Regulatory initiatives workgroup has relinquished two issues to this workgroup: the role of utilities in the Public Benefits framework and setting performance objectives for the PBP.
- Participants agreed that the money collected for energy conservation should be used for the purpose it was collected.
- Workgroup agreed that the current structure (monies in DOA budget) did not provide fund security and then discussed pros and cons of various alternative administrative models, including a trust fund, a fiscal agent, and utility run programs. The administrative model should provide the greatest security for funding to allow consistent Public Benefit efforts to maximize benefits as well achieve other desirable objectives (e.g. integration with PSC resource planning and decision-making).
- Workgroup noted that the Public Benefits effort should be an integral part of the state's resource efforts and policy. To achieve this, it is appropriate to better integrate Public Benefits efforts into PSC resource decision-making policy and process in a manner that maximizes benefits and provides more long-term certainty state-wide. The establishment of performance targets based on resource planning analysis and using appropriate length periods for such efforts could improve the efficiency and effectiveness of ongoing Public Benefits. However, it is necessary to further discuss how to specifically achieve a more integrated approach between PSC resource efforts and Public Benefits efforts, including the level of adequacy of such Public Benefits efforts.
- Timeframe: **July 1** – workgroup's draft recommendations due to the Governor's Task Force

August 1 – workgroup's final recommendations due to the Governor's Task Force

Sept. 15th – deadline for Task Force's final recommendations to the Governor
- Meeting schedule: workgroup will meet every two weeks initially. A schedule is attached. **Next meeting is scheduled for February 3, 2004 from 10-11:30 AM at Wisconsin Energy Conservation Corporation, 211 S. Paterson Street, 3rd Floor, Madison, WI.**

- Questions for next meeting:
 - Public Input: What is the appropriate role for stakeholders who are present at these workgroup meetings? How should workgroup engage the broader public?

Meeting Outcomes

- Workgroup will strive to make decisions by consensus. If in the future a consensus cannot be reached, workgroup will reassess this model.
- The workgroup agreed that the most secure funding framework would be to maintain the funds for Public Benefits as part of the utility revenue requirement subject to PSC oversight. Whether all or some part of these funds would be aggregated is an issue for future discussion (i.e. who are the program administrators). However, if aggregated in whole or in part (i.e. do not remain in the utility), the funds should be maintained in a non-governmental entity outside of the government structure (e.g. an independent fiscal agent or a separate trust fund) to best insure their security for only Public Benefits use.

Moving to such a structure would require legislative changes. The nature and extent of such changes is yet to be determined.

- The workgroup agreed that it is desirable to more effectively coordinate Public Benefits efforts with state energy policy. How to achieve this result will be discussed in future meetings.

Distribution List

- All Administrative Model and Funding Workgroup
- All Task Force Members
- Stakeholders present and/or requesting copies
- Website

**GOVERNOR'S TASK FORCE ON
ENERGY EFFICIENCY AND RENEWABLES**
Administrative Model and Funding Workgroup

2004 Winter and Spring Meeting Schedule

First and Third Tuesdays of the Month

<u>Date</u>	<u>Time</u>	<u>Place</u>
February 3, 2004	10:00 – 11:30 AM	WECC
February 17, 2004	12:30 – 2:00 PM (brown bag lunch)	MGE (Lunchroom Annex, 3rd Floor)
March 2, 2004	10:00 – 11:30 AM	MGE (Conf. Rm. 6B)
March 16, 2004	12:30 – 2:00 PM (brown bag lunch)	MGE (Lunchroom Annex, 3rd Floor)
April 6, 2004	10:00 – 11:30 AM	WECC
April 20, 2004	12:30 – 2:00 PM (brown bag lunch)	MGE (Lunchroom Annex, 3rd Floor)
May 4, 2004	10:00 – 11:30 AM	WECC
May 18, 2004	12:30 – 2:00 PM (brown bag lunch)	MGE (Lunchroom Annex, 3rd Floor)

MGE:
133 South Blair Street
(entrance on Railroad Street)
Madison, WI

WECC:
211 South Paterson Street
Madison, WI
Third floor

**Please park in the visitor overflow lot
located on the north side of Railroad St.
across from the entrance to MGE's
General Office.**